

AMENDED IN ASSEMBLY MAY 5, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 723**

**Introduced by Assembly Member Matthews**

February 19, 2003

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An act to add Chapter 2.6 (commencing with Section 53369) ~~of to~~ Part 1 of Division 2 of Title 5 of the Government Code, relating to jobs-housing opportunity zones.

LEGISLATIVE COUNSEL'S DIGEST

AB 723, as amended, Matthews. Jobs-housing opportunity zones.

(1) Under existing law, redevelopment agencies are authorized to pay the principal of, and interest on, indebtedness incurred to finance or refinance redevelopment, from a portion of property tax revenues diverted from other taxing agencies. The portion of taxes diverted is the amount attributable to increases in assessed valuation of property in the redevelopment project area subsequent to establishment thereof. This method of financing is commonly known as “tax increment” financing and is specifically authorized by Section 16 of Article XVI of the California Constitution.

Existing law also authorizes counties and cities to create infrastructure financing districts in the border development zone, as defined, to finance public works utilizing a similar method of tax increment financing in the Mexican border region.

This bill would similarly authorize counties and cities to create infrastructure financing districts in jobs-housing opportunity zones, as defined, to finance public capital facilities in the 5-county interregional partnership area of northern California for the purpose of mitigating

current and future imbalances of jobs and housing in the Counties of Alameda, Contra Costa, Santa Clara, San Joaquin, and Stanislaus.

Because county officers would be responsible for the division of taxes under the bill, the bill would impose a state-mandated local program in the case of districts formed by cities, but the bill would require all infrastructure financing districts to reimburse those county costs.

*The bill would also require approval by the district's landowners or voters, as specified, of district formation and of bonds to be issued by the district to finance public capital facilities. The bill would authorize affected taxing entities to veto formation of an infrastructure financing district.*

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state that are not otherwise covered by the bill, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 2.6 (commencing with Section 53369)  
2 is added to Part 1 of Division 2 of Title 5 of the Government Code,  
3 to read:

4

5 CHAPTER 2.6. JOBS-HOUSING OPPORTUNITY ZONES

6

7 Article 1. General Provisions

8

9 53369. The Legislature finds and declares that:

10 (a) Under the current land use and policy framework in  
11 northern California, central valley and east bay communities  
12 expect to double or triple their populations, but most of them will



1 not attract equivalent numbers of new jobs. Instead, thousands of  
2 central valley and east bay area residents are expected to commute  
3 far into the bay area, often driving two hours or more each way. At  
4 the same time, central valley communities experience a chronic  
5 unemployment rate of 10 percent or more, even during the  
6 prosperity of the 1990s. The challenges to transportation, air  
7 quality, and social quality of life are enormous. Projections  
8 estimate the current number of daily Altamont Pass commuters  
9 will more than double to 250,000 by the year 2020.

10 (b) Communities outside of Silicon Valley often lack the  
11 infrastructure, or the ability to finance infrastructure, such as  
12 interchanges and waste water treatment facilities, that are vital to  
13 attracting employers and creating a diversified economy, reducing  
14 the need for long-distance commutes into the bay area by their  
15 residents.

16 (c) Employers who wish to locate outside of Silicon Valley  
17 often have to fund their own infrastructure, making those east bay  
18 and central valley communities a less attractive and  
19 cost-competitive place for employers to locate.

20 (d) Consequently, the state has to make investments in  
21 highways and transit to link commuter populations to their jobs in  
22 more job-rich parts of the bay area.

23 (e) The creation of infrastructure financing districts in  
24 jobs-housing opportunity zones will generate employment in areas  
25 where there are large commuter populations, reduce long-distance  
26 commutes, improve air quality and quality of life, and reduce the  
27 need for costly transportation infrastructure investments in the  
28 future by the state.

29 53369.1. Unless the context otherwise requires, the  
30 definitions contained in this article shall govern the construction  
31 of this chapter.

32 (a) “Affected taxing entity” means any governmental taxing  
33 agency that levied or had levied on its behalf a property tax on all  
34 or a portion of the property located in the proposed district in the  
35 fiscal year prior to the designation of the district.

36 (b) “Jobs-housing opportunity zone” means a zone selected by  
37 the Interregional Partnership Pilot Project for the purpose of  
38 mitigating current and future imbalances of jobs and housing in the  
39 Counties of Alameda, Contra Costa, Santa Clara, San Joaquin, and  
40 Stanislaus.

1 (c) “City” means a city, a county, or a city and county.

2 (d) “Debt” means any binding obligation to repay a sum of  
3 money, including obligations in the form of bonds, certificates of  
4 participation, long-term leases, loans from government agencies,  
5 or loans from banks, other financial institutions, private  
6 businesses, or individuals.

7 (e) “Designated official” means the city engineer or other  
8 appropriate official designated pursuant to Section 53398.13.

9 (f) “District” means an infrastructure financing district  
10 located in the jobs-housing opportunity zone.

11 (g) “Infrastructure financing district” means a legally  
12 constituted governmental entity established pursuant to this  
13 chapter for the sole purpose of financing public facilities.

14 (h) “Landowner” or “owner of land” means any person  
15 shown as the owner of land on the last equalized assessment roll  
16 or otherwise known to be the owner of the land by the legislative  
17 body. The legislative body has no obligation to obtain other  
18 information as to the ownership of land, and its determination of  
19 ownership shall be final and conclusive for the purposes of this  
20 chapter.

21 (i) “Legislative body” means the city council or board of  
22 supervisors.

23 53369.2. (a) The revenues available pursuant to Article 3  
24 (commencing with Section 53369.30) may be used directly for  
25 work allowed pursuant to Section 53369.3, including use as  
26 matching funds to accomplish this work, may be accumulated for  
27 a period not to exceed five years to provide a fund for that work,  
28 may be pledged to pay the principal of, and interest on, bonds  
29 issued pursuant to Article 4 (commencing with Section 53369.40),  
30 or may be pledged to pay the principal of, and interest on, bonds  
31 issued pursuant to the Improvement Bond Act of 1915 (Division  
32 10 (commencing with Section 8500) of the Streets and Highways  
33 Code) or the Mello-Roos Community Facilities Act of 1982  
34 (Chapter 2.5 (commencing with Section 53311)), the proceeds of  
35 which have been or will be used entirely for allowable purposes of  
36 the district. The revenue of the district may also be advanced for  
37 allowable purposes of the district to an Integrated Financing  
38 District established pursuant to Chapter 1.5 (commencing with  
39 Section 53175), in which case the district may be party to a  
40 reimbursement agreement established pursuant to that chapter.

1 The revenues of the district may also be committed to paying for  
2 any completed public facility acquired pursuant to Section  
3 53369.3 over a period of time, including the payment of a rate of  
4 interest not to exceed the bond buyer index rate on the day that the  
5 agreement to repay is entered into by the city.

6 (b) The legislative body may enter into an agreement with any  
7 affected taxing entity or rely on the pass-through rates and  
8 formulas provided in Sections 33607.5 and 33670 of the Health  
9 and Safety Code, in providing for the construction of, or assistance  
10 in, financing public facilities.

11 53369.3. (a) A district may finance (1) the purchase,  
12 construction, expansion, improvement, seismic retrofit, or  
13 rehabilitation of any real or other tangible property with an  
14 estimated useful life of 15 years or longer that satisfies the  
15 requirements of subdivision (b), (2) the planning and design work  
16 that is directly related to the purchase, construction, expansion, or  
17 rehabilitation of that property, and (3) the costs described in  
18 Sections 53369.5 and 53369.31. A district may only finance the  
19 purchase of facilities for which construction has been completed,  
20 as determined by the legislative body. The facilities need not be  
21 physically located within the boundaries of the district. A district  
22 may not finance routine maintenance, repair work, or the costs of  
23 ongoing operation or providing services of any kind.

24 (b) The district shall finance only public capital facilities that  
25 provide significant benefits to the jobs-housing opportunity zone,  
26 including, but not limited to, all of the following:

27 (1) Highways, interchanges, ramps and bridges, major and  
28 minor arterial streets, major and minor collector streets, parking  
29 facilities, and transit facilities. Phased road widening projects shall  
30 also be permitted.

31 (2) Sewage collection, pumping, treatment, and water  
32 reclamation plants and interceptor pipes.

33 (3) Facilities for the collection and treatment of water for urban  
34 uses.

35 (4) Flood control levees and dams, retention basins, and  
36 drainage facilities.

37 (5) Child care facilities.

38 (6) Libraries.

39 (7) Parks, recreational facilities, and open space.

1 (8) Facilities for the transfer and disposal of solid waste,  
2 including transfer stations and vehicles.

3 (c) Any district that constructs dwelling units shall set aside not  
4 less than 20 percent of those units to increase and improve the  
5 community's supply of low- and moderate-income housing  
6 available at an affordable housing cost, as defined by Section  
7 50052.5 of the Health and Safety Code, to persons and families of  
8 low and moderate income, as defined in Section 50093 of the  
9 Health and Safety Code.

10 53369.4. (a) A district may not include any portion of a  
11 redevelopment project area that is or has been previously created  
12 pursuant to Part 1 (commencing with Section 33000) of Division  
13 24 of the Health and Safety Code, whether the creation is or was  
14 proper or improper. A redevelopment project area may not include  
15 any portion of a district created pursuant to this chapter.

16 (b) A district may finance only the facilities or services  
17 authorized in this chapter to the extent that the facilities or services  
18 are in addition to those provided in the territory of the district  
19 before the district was created. The additional facilities or services  
20 may not supplant facilities or services already available within that  
21 territory when the district was created but may supplement those  
22 facilities and services as needed to serve new developments.

23 (c) A district may include areas that are not contiguous.

24 53369.5. It is the intent of the Legislature that the area of the  
25 districts created be substantially undeveloped, and the  
26 establishment of a district should not ordinarily lead to the removal  
27 of existing dwelling units. If, however, any dwelling units are  
28 proposed to be removed or destroyed in the course of private  
29 development or public works construction within the area of the  
30 district, the legislative body shall do all of the following:

31 (a) Within four years of the removal or destruction, cause or  
32 require the construction or rehabilitation, for rental or sale to  
33 persons or families of low or moderate income, of an equal number  
34 of replacement dwelling units at affordable housing cost, as  
35 defined in Section 50052.5 of the Health and Safety Code, within  
36 the territory of the district if the dwelling units removed were  
37 inhabited by persons or families of low or moderate income, as  
38 defined in Section 50093 of the Health and Safety Code.

39 (b) Within four years of the removal or destruction, cause or  
40 require the construction or rehabilitation, for rental or sale to

persons of low or moderate income, a number of dwelling units that is at least one unit but not less than 20 percent of the total dwelling units removed at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed or destroyed were not inhabited by persons of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(c) Provide relocation assistance and make all the payments required by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, to persons displaced by any public or private development occurring within the territory of the district. This displacement shall be deemed to be the result of public action.

(d) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income does not take place unless and until there are suitable housing units, at comparable cost to the units from which the persons or families were displaced, available, and ready for occupancy by the residents of the units at the time of their displacement. The housing units shall be suitable to the needs of these displaced persons or families and shall be decent, safe, sanitary, and otherwise standard dwellings.

53369.6. Any action or proceeding to attack, review, set aside, void, or annul the creation of a district or the adoption of an infrastructure financing plan, including a division of taxes thereunder, shall be commenced within 30 days after the enactment of the ordinance creating the district pursuant to Section ~~53369.21~~ 53369.23. Consistent with the time limitations of this section, such an action or proceeding with respect to a division of taxes under this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure, except that Section 869 of the Code of Civil Procedure shall not apply.

53369.7. An action to determine the validity of the issuance of bonds pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. However, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, the action shall be commenced within 30 days after adoption of the resolution pursuant to Section ~~53369.43~~ 53369.54 providing for issuance of the bonds if the action is brought by an interested



1 person pursuant to Section 863 of the Code of Civil Procedure.  
2 Any appeal from a judgment in that action or proceeding shall be  
3 commenced within 30 days after entry of judgment.

4 53369.8. An infrastructure financing district in the  
5 jobs-housing opportunity zone is a “district” within the meaning  
6 of Section 1 of Article XIII A of the California Constitution.

7  
8 Article 2. Preparation and Adoption of Infrastructure  
9 Financing Plans

10  
11 53369.10. A legislative body of a city may designate one or  
12 more proposed infrastructure financing districts in the  
13 jobs-housing opportunity zone pursuant to this chapter.  
14 Proceedings for the establishment of a district shall be instituted  
15 by the adoption of a resolution of intention to establish the  
16 proposed district and shall do all of the following:

17 (a) State that an infrastructure financing district is proposed to  
18 be established under the terms of this chapter and describe the  
19 boundaries of the proposed district, which may be accomplished  
20 by reference to a map on file in the office of the clerk of the city.

21 (b) State the type of public facilities proposed to be financed by  
22 the district. The district may only finance public facilities  
23 authorized by Section 53398.3.

24 (c) State that incremental property tax revenue from the city  
25 and some or all affected taxing entities within the district may be  
26 used to finance these public facilities.

27 (d) Fix a time and place for a public hearing on the proposal.

28 53369.11. The legislative body shall direct the clerk to mail  
29 a copy of the resolution of intention to create the district to each  
30 owner of land within the district.

31 53369.12. The legislative body shall direct the clerk to mail  
32 a copy of the resolution to each affected taxing entity.

33 53369.13. After adopting the resolution pursuant to Section  
34 53369.10, the legislative body shall designate and direct the city  
35 engineer or other appropriate official to prepare an infrastructure  
36 plan pursuant to Section 53369.14.

37 53369.14. After receipt of a copy of the resolution of intention  
38 to establish a district, the official designated pursuant to Section  
39 53369.13 shall prepare a proposed infrastructure financing plan.  
40 The infrastructure financing plan shall be consistent with the



1 general plan of the city within which the district is located and shall  
2 include all of the following:

3 (a) A map and legal description of the proposed district, which  
4 may include all or a portion of the district designated by the  
5 legislative body in its resolution of intention.

6 (b) A description of the public facilities required to serve the  
7 development proposed in the area of the district, including those  
8 to be provided by the private sector, those to be provided by  
9 governmental entities without assistance under this chapter, those  
10 public improvements and facilities to be financed with assistance  
11 from the proposed district, and those to be provided jointly. The  
12 description shall include the proposed location, timing, and costs  
13 of the public improvements and facilities.

14 (c) A finding that the public facilities provide significant  
15 benefits to the jobs-housing opportunity zone.

16 (d) A financing section, which shall contain all of the following  
17 information:

18 (1) A specification of the maximum portion of the incremental  
19 tax revenue of the city and of each affected taxing entity proposed  
20 to be committed to the district for each year during which the  
21 district will receive incremental tax revenue. The portion need not  
22 be the same for all affected taxing entities. The portion may change  
23 over time.

24 (2) A projection of the amount of tax revenues expected to be  
25 received by the district in each year during which the district will  
26 receive tax revenues, including an estimate of the amount of tax  
27 revenues attributable to each affected taxing entity for each year.

28 (3) A plan for financing the public facilities to be assisted by the  
29 district, including a detailed description of any intention to incur  
30 debt.

31 (4) A limit on the total number of dollars of taxes that may be  
32 allocated to the district pursuant to the plan.

33 (5) A date on which the district will cease to exist, by which  
34 time all tax allocation to the district will end. The date shall not be  
35 more than 30 years from the date on which the ordinance forming  
36 the district is adopted pursuant to Section ~~53369.19~~ 53369.23.

37 (6) An analysis of the costs to the city of providing facilities and  
38 services to the area of the district while the area is being developed  
39 and after the area is developed. The plan shall also include an  
40 analysis of the tax, fee, charge, and other revenues expected to be

1 received by the city as a result of expected development in the area  
2 of the district.

3 (7) An analysis of the projected fiscal impact of the district and  
4 the associated development upon each affected taxing entity.

5 (e) If any dwelling units occupied by persons or families of low  
6 or moderate income are proposed to be removed or destroyed in  
7 the course of private development or public works construction  
8 within the area of the district, a plan providing for replacement of  
9 those units and relocation of those persons or families consistent  
10 with the requirements of Section 53369.5.

11 53369.15. The infrastructure financing plan shall be sent to  
12 each owner of land within the proposed district and to each  
13 affected taxing entity together with any report required by the  
14 California Environmental Quality Act (Division 13 (commencing  
15 with Section 21000) of the Public Resources Code) that pertains  
16 to the proposed public facilities or the proposed development  
17 project for which the public facilities are needed. The plan shall be  
18 made available for public inspection. The report shall also be sent  
19 to the planning commission and the legislative body.

20 53369.16. The designated official shall consult with each  
21 affected taxing entity, and, at the request of any affected taxing  
22 entity, shall meet with representatives of an affected taxing entity.  
23 Any affected taxing entity may suggest revisions to the plan.

24 53369.17. The legislative body shall conduct a public hearing  
25 prior to adopting the proposed infrastructure financing plan. The  
26 public hearing shall be called no sooner than 60 days after the plan  
27 has been sent to each affected taxing entity. In addition to the notice  
28 given to landowners and affected taxing entities pursuant to  
29 Sections 53369.11 and 53369.12, notice of the public hearing shall  
30 be given by publication not less than once a week for four  
31 successive weeks in a newspaper of general circulation published  
32 in the city in which the proposed district is located. The notice shall  
33 state that the district will be used to finance public works, briefly  
34 describe the public works, briefly describe the proposed financial  
35 arrangements, including the proposed commitment of incremental  
36 tax revenue, describe the boundaries of the proposed district, and  
37 state the day, hour, and place when and where any persons having  
38 any objections to the proposed infrastructure financing plan, or the  
39 regularity of any of the prior proceedings, may appear before the

1 legislative body and object to the adoption of the proposed plan by  
2 the legislative body.

3 53369.18. At the hour set in the required notices, the  
4 legislative body shall proceed to hear and pass upon all written and  
5 oral objections. The hearing may be continued from time to time.  
6 The legislative body shall consider the recommendations, if any,  
7 of affected taxing entities, and all evidence and testimony for and  
8 against the adoption of the plan. The legislative body may modify  
9 the plan by eliminating or reducing the size and cost of proposed  
10 public works, by reducing the amount of proposed debt, or by  
11 reducing the portion, amount, or duration of incremental tax  
12 revenues to be committed to the district.

13 ~~53369.19. At the conclusion of the public hearing, the~~  
14 ~~legislative body may adopt an ordinance approving the~~  
15 ~~infrastructure financing plan, or the infrastructure financing plan~~  
16 ~~as modified, and creating the infrastructure financing district with~~  
17 ~~the full force and effect of law, or the legislative body may abandon~~  
18 ~~the proceedings.~~

19 ~~53369.20.—~~

20 53369.19. (a) *The legislative body shall not enact a*  
21 *resolution proposing formation of a district and providing for the*  
22 *division of taxes of any affected taxing entity pursuant to Article*  
23 *3 (commencing with Section 53369.30) unless a resolution*  
24 *approving the plan has been adopted by the governing body of*  
25 *each affected taxing entity that is proposed to be subject to the*  
26 *division of taxes pursuant to Article 3 (commencing with Section*  
27 *53369.30) and has been filed with the legislative body at or prior*  
28 *to the time of the hearing.*

29 (b) *Nothing in this section shall be construed to prevent the*  
30 *legislative body from amending its infrastructure financing plan*  
31 *and adopting a resolution proposing formation of the*  
32 *infrastructure financing district without allocation of the tax*  
33 *revenues of any affected taxing entity which has not approved the*  
34 *infrastructure financing plan by resolution of the governing body*  
35 *of the affected taxing entity.*

36 53369.20. (a) *At the conclusion of the hearing, the legislative*  
37 *body may adopt a resolution proposing adoption of the*  
38 *infrastructure financing plan, as modified, and formation of the*  
39 *infrastructure financing district in a manner consistent with*  
40 *Section 53369.19, or it may abandon the proceedings. If the*

1 legislative body adopts a resolution proposing formation of the  
2 district, it shall then submit the proposal to create the district to the  
3 qualified electors of the proposed district in the next general  
4 election or in a special election to be held, notwithstanding any  
5 other requirement, including any requirement that elections be  
6 held on specified dates, contained in the Elections Code, at least  
7 90 days, but not more than 180 days, following the adoption of the  
8 resolution of formation. The legislative body shall provide the  
9 resolution of formation, a certified map of sufficient scale and  
10 clarity to show the boundaries of the district, and a sufficient  
11 description to allow the election official to determine the  
12 boundaries of the district to the official conducting the election  
13 within three business days after the adoption of the resolution of  
14 formation. The assessor's parcel numbers for the land within the  
15 district shall be included if it is a landowner election or the district  
16 does not conform to an existing district's boundaries and if  
17 requested by the official conducting the election. If the election is  
18 to be held less than 125 days following the adoption of the  
19 resolution of formation, the concurrence of the election official  
20 conducting the election shall be required. However, any time limit  
21 specified by this section or requirement pertaining to the conduct  
22 of the election may be waived with the unanimous consent of the  
23 qualified electors of the proposed district and the concurrence of  
24 the election official conducting the election.

25 (b) If at least 12 persons have been registered to vote within the  
26 territory of the proposed district for each of the 90 days preceding  
27 the close of the hearing, the vote shall be by the registered voters  
28 of the proposed district, who need not necessarily be the same  
29 persons, with each voter having one vote. Otherwise, the vote shall  
30 be by the landowners of the proposed district and each landowner  
31 who is the owner of record at the close of the protest hearing, or  
32 the authorized representative thereof, shall have one vote for each  
33 acre or portion of an acre of land that he or she owns within the  
34 proposed district. The number of votes to be voted by a particular  
35 landowner shall be specified on the ballot provided to that  
36 landowner.

37 (c) Ballots for the special election authorized by subdivision  
38 (a) may be distributed to qualified electors by mail with return  
39 postage prepaid or by personal service by the election official. The  
40 official conducting the election may certify the proper mailing of

1 *ballots by an affidavit, which shall be exclusive proof of mailing*  
2 *in the absence of fraud. The voted ballots shall be returned to the*  
3 *election officer conducting the election not later than the hour*  
4 *specified in the resolution calling the election. However, if all the*  
5 *qualified voters have voted, the election shall be closed.*

6 53369.21. (a) *Except as otherwise provided in this chapter,*  
7 *the provisions of law regulating elections of the local agency that*  
8 *calls an election pursuant to this chapter, insofar as they may be*  
9 *applicable, shall govern all elections conducted pursuant to this*  
10 *chapter. Except as provided in subdivision (b), there shall be*  
11 *prepared and included in the ballot material provided to each*  
12 *voter, an impartial analysis pursuant to Section 9160 or 9280 of*  
13 *the Elections Code, arguments and rebuttals, if any, pursuant to*  
14 *Sections 9162 to 9167, inclusive, and 9190 of the Elections Code*  
15 *or pursuant to Sections 9281 to 9287, inclusive, and 9295 of the*  
16 *Elections Code.*

17 (b) *If the vote is to be by the landowners of the proposed district,*  
18 *analysis and arguments may be waived with the unanimous*  
19 *consent of all the landowners and shall be so stated in the order*  
20 *for the election.*

21 53369.22. (a) *If the election is to be conducted by mail ballot,*  
22 *the election official conducting the election shall provide ballots*  
23 *and election materials pursuant to subdivision (d) of Section*  
24 *53326 and Section 53327, together with all supplies and*  
25 *instructions necessary for the use and return of the ballot.*

26 (b) *The identification envelope for return of mail ballots used*  
27 *in landowner elections shall contain the following:*

28 (1) *The name of the landowner.*

29 (2) *The address of the landowner.*

30 (3) *A declaration, under penalty of perjury, stating that the*  
31 *voter is the owner of record or the authorized representative of the*  
32 *landowner entitled to vote and is the person whose name appears*  
33 *on the identification envelope.*

34 (4) *The printed name and signature of the voter.*

35 (5) *The address of the voter.*

36 (6) *The date of signing and place of execution of the*  
37 *declaration pursuant to paragraph (3).*

38 (7) *A notice that the envelope contains an official ballot and is*  
39 *to be opened only by the canvassing board.*

1 53369.23. *After the canvass of returns of any election*  
2 *pursuant to Section 53369.20, the legislative body may, by*  
3 *ordinance, adopt the infrastructure financing plan and create the*  
4 *district with full force and effect of law, if two-thirds of the votes*  
5 *upon the question of creating the district are in favor of creating*  
6 *the district.*

7 53369.24. *After the canvass of returns of any election*  
8 *conducted pursuant to Section 53369.20, the legislative body shall*  
9 *take no further action with respect to the proposed infrastructure*  
10 *financing district for one year from the date of the election if the*  
11 *question of creating the district fails to receive approval by*  
12 *two-thirds of the votes cast upon the question.*

13 53369.25. The legislative body may submit a proposition to  
14 establish or change the appropriations limit, as defined by  
15 subdivision (h) of Section 8 of Article XIII B of the California  
16 Constitution, of a district to the qualified electors of a district. The  
17 proposition establishing or changing the appropriations limit shall  
18 become effective if approved by the qualified electors voting on  
19 the proposition and shall be adjusted for changes in the cost of  
20 living and changes in populations, as defined by subdivisions (b)  
21 and (c) of Section 7901, except that the change in population may  
22 be estimated by the legislative body in the absence of an estimate  
23 by the Department of Finance, and in accordance with Section 1  
24 of Article XIII B of the California Constitution. For purposes of  
25 adjusting for changes in population, the population of the district  
26 shall be deemed to be at least one person during each calendar year.

27  
28 Article 3. Division of Taxes  
29

30 53369.30. Any infrastructure financing plan may contain a  
31 provision that taxes, if any, levied upon taxable property in the area  
32 included within the infrastructure financing district each year by  
33 or for the benefit of the State of California, or any affected taxing  
34 entity after the effective date of the ordinance adopted pursuant to  
35 Section ~~53369.19~~ 53369.23 to create the district, shall be divided  
36 as follows:

37 (a) That portion of the taxes that would be produced by the rate  
38 upon which the tax is levied each year by or for each of the affected  
39 taxing entities upon the total sum of the assessed value of the  
40 taxable property in the district as shown upon the assessment roll



used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance adopted pursuant to Section ~~53369.19~~ 53369.23 to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city and each affected taxing entity in excess of the amount specified in subdivision (a) shall be allocated to, and when collected shall be paid into a special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district exceeds the total assessed value of the taxable property in the district as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the district shall be paid to the respective affected taxing entities. When the district ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the district shall be paid to the respective affected taxing entities as taxes on all other property are paid.

53369.31. All costs incurred by a county in connection with the division of taxes pursuant to Section 53369.30 for a district shall be paid by that district.

#### Article 4. Payments to Affecting Taxing Entities

53369.40. (a) (1) This section shall apply to each infrastructure financing district that is either of the following:

(A) Adopted on or after January 1, 1994, including later amendments to these redevelopment plans.

(B) Adopted prior to January 1, 1994, but amended, after January 1, 1994, to include new territory. For plans amended after January 1, 1994, only the tax increments from territory added by the amendment shall be subject to this section.

(2) The payments made pursuant to this section shall be in addition to any amounts the affected taxing entities receive pursuant to subdivision (a) of Section 53369.30. The payments made pursuant to this section to the affected taxing entities, including the community, shall be allocated among the affected



1 taxing entities, including the community if the community elects  
2 to receive payments, in proportion to the percentage share of  
3 property taxes each affected taxing entity, including the  
4 community, receives during the fiscal year the funds are allocated.  
5 The agency shall reduce its payments pursuant to this section to an  
6 affected taxing entity by any amount the agency has paid, directly  
7 or indirectly, pursuant to Section 33445, 33445.5, 33445.6, or  
8 33446 of the Health and Safety Code, or any other provision of law  
9 other than this section for, or in connection with, a public facility  
10 owned or leased by that affected taxing agency, except:

11 (A) Any amounts the agency has paid directly or indirectly  
12 pursuant to an agreement with a taxing entity adopted prior to  
13 January 1, 1994.

14 (B) Any amounts that are unrelated to the specific project area  
15 or amendment governed by this section. The reduction in a  
16 payment by an agency to a school district, community college  
17 district, or county office of education, or for special education,  
18 shall be subtracted only from the amount that otherwise would be  
19 available for use by those entities for educational facilities  
20 pursuant to paragraph (4). If the amount of the reduction exceeds  
21 the amount that otherwise would have been available for use for  
22 educational facilities in any one year, the agency shall reduce its  
23 payment in more than one year.

24 (3) If an agency reduces its payment to a school district,  
25 community college district, or county office of education, or for  
26 special education, the agency shall do all of the following:

27 (A) Determine the amount of the total payment that would have  
28 been made without the reduction.

29 (B) Determine the amount of the total payment without the  
30 reduction that:

31 (i) Would have been considered property taxes.

32 (ii) Would have been available to be used for educational  
33 facilities pursuant to paragraph (4).

34 (C) Reduce the amount available to be used for educational  
35 facilities.

36 (D) Send the payment to the school district, community college  
37 district, or county office of education, or for special education,  
38 with a statement that the payment is being reduced and including  
39 the calculation required by this subdivision showing the amount

1 to be considered property taxes and the amount, if any, available  
2 for educational facilities.

3 (4) (A) Except as specified in subparagraph (E), of the total  
4 amount paid each year pursuant to this section to school districts,  
5 43.3 percent shall be considered to be property taxes for the  
6 purposes of paragraph (1) of subdivision (h) of Section 42238 of  
7 the Education Code, and 56.7 percent shall not be considered to be  
8 property taxes for the purposes of that section and shall be  
9 available to be used for educational facilities.

10 (B) Except as specified in subparagraph (E), of the total  
11 amount paid each year pursuant to this section to community  
12 college districts, 47 $\frac{1}{2}$  percent shall be considered to be property  
13 taxes for the purposes of Section 84751 of the Education Code, and  
14 52 $\frac{1}{2}$  percent shall not be considered to be property taxes for the  
15 purposes of that section and shall be available to be used for  
16 educational facilities.

17 (C) Except as specified in subparagraph (E), of the total  
18 amount paid each year pursuant to this section to county offices of  
19 education, 19 percent shall be considered to be property taxes for  
20 the purposes of Section 2558 of the Education Code, and 81  
21 percent shall not be considered to be property taxes for the  
22 purposes of that section and shall be available to be used for  
23 educational facilities.

24 (D) Except as specified in subparagraph (E), of the total  
25 amount paid each year pursuant to this section for special  
26 education, 19 percent shall be considered to be property taxes for  
27 the purposes of Section 56712 of the Education Code, and 81  
28 percent shall not be considered to be property taxes for the  
29 purposes of that section and shall be available to be used for  
30 education facilities.

31 (E) If, pursuant to paragraphs (2) and (3), an agency reduces its  
32 payments to an educational entity, the calculation made by the  
33 agency pursuant to paragraph (3) shall determine the amount  
34 considered to be property taxes and the amount available to be used  
35 for educational facilities in the year the reduction was made.

36 (5) Local education agencies that use funds received pursuant  
37 to this section for school facilities shall spend these funds at  
38 schools that are:

39 (A) Within the project area.

40 (B) Attended by students from the project area.

1 (C) Attended by students generated by projects that are assisted  
2 directly by the infrastructure district.

3 (D) Determined by the governing board of a local education  
4 agency to be of benefit to the project area.

5 (b) Commencing with the first fiscal year in which the agency  
6 receives tax increments and continuing through the last fiscal year  
7 in which the agency receives tax increments, an infrastructure  
8 district shall pay to the affected taxing entities, including the  
9 community if the community elects to receive a payment, an  
10 amount equal to 25 percent of the tax increments received by the  
11 agency. In any fiscal year in which the agency receives tax  
12 increments, the community that has adopted the infrastructure  
13 district may elect to receive the amount authorized by this  
14 subdivision.

15 (c) Commencing with the 11th fiscal year in which the agency  
16 receives tax increments and continuing through the last fiscal year  
17 in which the agency receives tax increments, infrastructure district  
18 shall pay to the affected taxing entities, other than the community  
19 which has adopted the project, in addition to the amounts paid  
20 pursuant to subdivision (b), an amount equal to 21 percent of the  
21 portion of tax increments received by the agency, which shall be  
22 calculated by applying the tax rate against the amount of assessed  
23 value by which the current year assessed value exceeds the first  
24 adjusted base year assessed value. The first adjusted base year  
25 assessed value is the assessed value of the project area in the 10th  
26 fiscal year in which the agency receives tax increment revenues.

27 (d) Commencing with the 31st fiscal year in which the agency  
28 receives tax increments and continuing through the last fiscal year  
29 in which the agency receives tax increments, an infrastructure  
30 district shall pay to the affected taxing entities, other than the  
31 community which has adopted the project, in addition to the  
32 amounts paid pursuant to subdivision (b), an amount equal to 14  
33 percent of the portion of tax increments received by the agency,  
34 which shall be calculated by applying the tax rate against the  
35 amount of assessed value by which the current year assessed value  
36 exceeds the second adjusted base year assessed value. The second  
37 adjusted base year assessed value is the assessed value of the  
38 project area in the 30th fiscal year in which the agency receives tax  
39 increments.

1 (e) (1) Prior to incurring any loans, bonds, or other  
2 indebtedness, except loans or advances from the community, the  
3 agency may subordinate to the loans, bonds, or other indebtedness  
4 the amount required to be paid to an affected taxing entity by this  
5 section, provided that the affected taxing entity has approved these  
6 subordinations pursuant to this subdivision.

7 (2) At the time the agency requests an affected taxing entity to  
8 subordinate the amount to be paid to it, the agency shall provide  
9 the affected taxing entity with substantial evidence that sufficient  
10 funds will be available to pay both the debt service and the  
11 payments required by this section, when due.

12 (3) An affected taxing entity may disapprove a request for  
13 subordination only if it finds, based upon substantial evidence, that  
14 the agency will not be able to pay the debt payments and the  
15 amount required to be paid to the affected taxing entity. If the  
16 affected taxing entity does not act within 45 days after receipt of  
17 the agency's request, the request to subordinate shall be deemed  
18 approved and shall be final and conclusive.

19 (f) (1) The Legislature finds and declares both of the  
20 following:

21 (A) The payments made pursuant to this section are necessary  
22 in order to alleviate the financial burden and detriment that  
23 affected taxing entities may incur as a result of the adoption of a  
24 infrastructure financing plan, and payments made pursuant to this  
25 section will benefit job-housing opportunity zones.

26 (B) The payments made pursuant to this section are the  
27 exclusive payments that are required to be made by a infrastructure  
28 financing district to affected taxing entities during the term of a  
29 redevelopment plan.

30 (2) Notwithstanding any other provision of law, a  
31 redevelopment agency shall not be required, either directly or  
32 indirectly, as a measure to mitigate a significant environmental  
33 effect or as part of any settlement agreement or judgment brought  
34 in any action to contest the validity of a infrastructure financing  
35 plan or a redevelopment plan pursuant to Section 33501, to make  
36 any other payments to affected taxing entities, or to pay for public  
37 facilities that will be owned or leased to an affected taxing entity.

38 (g) As used in this section, a "local education agency" is a  
39 school district, a community college district, or a county office of  
40 education.

## Article 5. Tax Increment Bonds

53369.50. The legislative body may, by majority vote, initiate proceedings to issue bonds pursuant to this chapter by adopting a resolution stating its intent to issue the bonds.

53369.51. The resolution adopted pursuant to Section 53369.50 shall contain all of the following information:

(a) A description of the facilities to be financed with the proceeds of the proposed bond issue.

(b) The estimated cost of the facilities, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance.

(c) The maximum interest rate and discount on the proposed bond issuance.

(d) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.

(e) A finding that the amount necessary to pay the principal of, and interest on, the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subdivision (d).

(f) The date, hour, and place at which any person may appear before the legislative body and object to the proposal to issue bonds.

53369.52. The clerk of the legislative body shall publish the resolution adopted pursuant to Section 53369.50 once a day for at least seven successive days in a newspaper published in the city or county at least six days a week, or at least once a week for two successive weeks in a newspaper published in the city or county less than six days a week. If there are no newspapers meeting these criteria, the resolution shall be posted in three public places within the territory of the district for two succeeding weeks.

~~53369.53. (a) At the hour set in the required notice, the legislative body shall proceed to hear and pass upon all written and oral objections. The hearing may be continued from time to time. The legislative body shall consider all evidence and testimony for and against the proposal to issue bonds.~~

~~(b) At the conclusion of the hearing, the legislative body may approve the issuance of bonds by adopting a resolution that shall~~

53369.53. *The legislative body shall submit the proposal to issue the bonds to the voters who reside within the district. The*

*election shall be conducted in the same manner as the election to create the district pursuant to Section 53369.20 and the two elections may be consolidated.*

*53369.54. (a) The bonds may be issued if two-thirds of the voters voting on the proposition vote in favor of issuing the bonds.*

*(b) If the voters approve the issuance of the bonds as provided by subdivision (a), the legislative body shall proceed with the issuance of the bonds by adopting a resolution which shall provide for all of the following:*

*(1) The issuance of the bonds in one or more series.*

*(2) The principal amount of the bonds, which shall be consistent with the amount specified in subdivision (b) of Section 53369.51.*

*(3) The date the bonds will bear.*

*(4) The date of maturity of the bonds.*

*(5) The denomination of the bonds.*

*(6) The form of the bonds.*

*(7) The manner of execution of the bonds.*

*(8) The medium of payment in which the bonds are payable.*

*(9) The place or manner of payment and any requirements for registration of the bonds.*

*(10) The terms of call or redemption, with or without premium.*

~~*53369.54.—*~~

*53369.55. If any proposition submitted to the voters pursuant to this chapter is defeated by the voters, the legislative body shall not submit, or cause to be submitted, a similar proposition to the voters for at least one year after the first election.*

*53369.56. The legislative body may, by majority vote, provide for refunding of bonds issued pursuant to this chapter. However, refunding bonds shall not be issued if the total net interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds exceeds the total net interest cost to maturity on the bonds to be refunded. The legislative body may not extend the time to maturity of the bonds.*

~~*53369.55.—*~~

*53369.57. The legislative body or any person executing the bonds shall not be personally liable on the bonds by reason of their issuance. The bonds and other obligations of a district issued pursuant to this chapter are not a debt of the city, county, or state or of any of its political subdivisions, other than the district, and*

1 none of those entities, other than the district, shall be liable on the  
2 bonds and the bonds or obligations shall be payable exclusively  
3 from funds or properties of the district. The bonds shall contain a  
4 statement to this effect on their face. The bonds do not constitute  
5 an indebtedness within the meaning of any constitutional or  
6 statutory debt limitation.

7 ~~53369.56.—~~

8 53369.58. The bonds may be sold at discount not to exceed 5  
9 percent of par at public sale. At least five days prior to the sale,  
10 notice shall be published, pursuant to Section 6061, in a newspaper  
11 of general circulation and in a financial newspaper published in the  
12 City and County of San Francisco and in the City of Los Angeles.  
13 The bonds may be sold at not less than par to the federal  
14 government at private sale without any public advertisement.

15 ~~53369.57.—~~

16 53369.59. If any member of the legislative body whose  
17 signature appears on bonds ceases to be a member of the legislative  
18 body before delivery of the bonds, his or her signature is as  
19 effective as if he or she had remained in office. Bonds issued  
20 pursuant to this chapter are fully negotiable.

21 SEC. 2. Notwithstanding Section 17610 of the Government  
22 Code, if the Commission on State Mandates determines that this  
23 act contains costs mandated by the state that are not otherwise  
24 covered under the terms of the act, reimbursement to local  
25 agencies and school districts for those costs shall be made pursuant  
26 to Part 7 (commencing with Section 17500) of Division 4 of Title  
27 2 of the Government Code. If the statewide cost of the claim for  
28 reimbursement does not exceed one million dollars (\$1,000,000),  
29 reimbursement shall be made from the State Mandates Claims  
30 Fund.

